

POWERLINE

FALL 2011

NEWSLETTER OF THE SOUTHEASTERN POWER ADMINISTRATION

CALENDAR OF EVENTS



Cumberland PCC Meeting

Lexington, KY
November 8, 2011

VACAR South RCMC & RCPC Meeting

Columbia, SC
November 9, 2011

SERC Compliance Seminar

Atlanta, GA
November 15-16, 2011

GA-AL-SC PRC Meeting

Atlanta, GA
November 15, 2011

Alliance Meeting

Atlanta, GA
November 16, 2011



Upcoming Southeastern Federal Power Alliance Meeting

The upcoming Southeastern Federal Power Alliance is scheduled for Wednesday, November 16, 2011, in Atlanta at the Atlanta Airport Marriott Gateway, 2020 Convention Center Concourse, (404)763-1544.

New Employee at Southeastern

Dixie Cordell was selected for the Civil Engineer position in the Power Resources Division at Southeastern. Ms. Cordell's appointment was effective October 23, 2011.

Jim Woodruff System Rate Adjustment

On September 2, 2011, the Deputy Secretary of Energy confirmed and approved on an interim basis new rate schedules for the Jim Woodruff System. The new schedules are for a five-year period, from September 20, 2011, up to September 19, 2016. Notice of the interim approval was published in the *Federal Register* on September 13, 2011 (76 FR 56409). The rate schedules have been forwarded to FERC with a request for approval on a final basis.

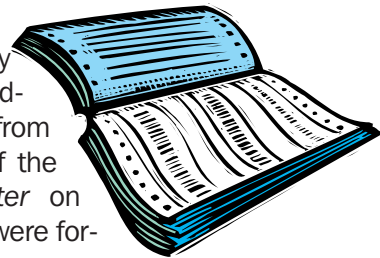
The new rate schedules establish a pass-through of purchased power expenses on a rolling 11-month average basis. A comparison of the old and new rates for preference customers is as follows:

	Old	New
Capacity	\$13.06/kW/Month	\$10.29/kW/Month
Energy	32.07 mills/kWh	26.51 mills/kWh
Purchased Power	None	Pass-through of net cost incurred on behalf of the customer

Cumberland System Rate Adjustment

On September 12, 2011, the Deputy Secretary of Energy confirmed and approved on an interim basis new rate schedules for the Cumberland System for a two-year period, from October 1, 2011, up to September 30, 2013. Notice of the interim approval was published in the *Federal Register* on September 22, 2011 (76 FR 58791). The rate schedules were forwarded to FERC with a request for approval on a final basis.

The rate adjustment is designed to increase average annual revenues by about 18 percent. The energy rate under the Interim Operating Plan, which is expected to remain in effect for the term of these rate schedules, will increase by about 40 percent, from 12.67 mills per kilowatt-hour to 17.69 mills per kilowatt-hour.



Georgia-Alabama-South Carolina Rate Adjustment

Southeastern is planning to propose a rate adjustment for the Georgia-Alabama-South Carolina System in 2012. The amount of the rate adjustment will depend on operating results for FY 2011, including Corps expenses. Contract provisions in the Georgia-

Alabama-South Carolina System allow rate schedules to be adjusted on October 1 of any year. Southeastern expects the new rate schedules will be effective October 1, 2012.

Georgia-Alabama-South Carolina Customer Funding

The Project Review Committee (PRC) approved Work Item No. 13 in May 2011. Work item 13 includes station service transformer replacement at the Buford Powerhouse and unit #3 cavitation repair at the Jones Bluff Powerhouse (Robert F. Henry Project). The maximum total funding requirement for this work item is \$3,415,000. In July 2011, the PRC approved Work Item No. 14, unit #1 turbine repair at the Carters Powerhouse. Funding for this item is \$750,000. Funds available from closed-out Sub-Agreements #2, 3, 4, and 6 will be used to fund this work item.

Southeastern Co-Sponsors Upcoming Energy Efficiency Workshops

Southeastern's Energy Efficiency and Renewable Energy Program is looking to partner with cooperative and municipal utilities to provide training programs that address economic and energy efficiency.

In November, Southeastern plans to co-sponsor "Schools A+ Energy Efficiency Program" with Rappahannock EMC.

Customers who recently co-sponsored workshops include:

- Electricities of North Carolina
- Kenergy
- SMEPA
- Virginia, Maryland, and Delaware EMC
- Jackson EMC
- Snapping Shoals EMC
- Tri-County EMC
- Canoochee EMC
- Altamaha EMC
- Central Georgia EMC
- Okefenokee EMC

Customers interested in co-sponsoring workshops may contact Jesse Marsden at: 706-213-3863, jesus.marsden@sepa.doe.gov.

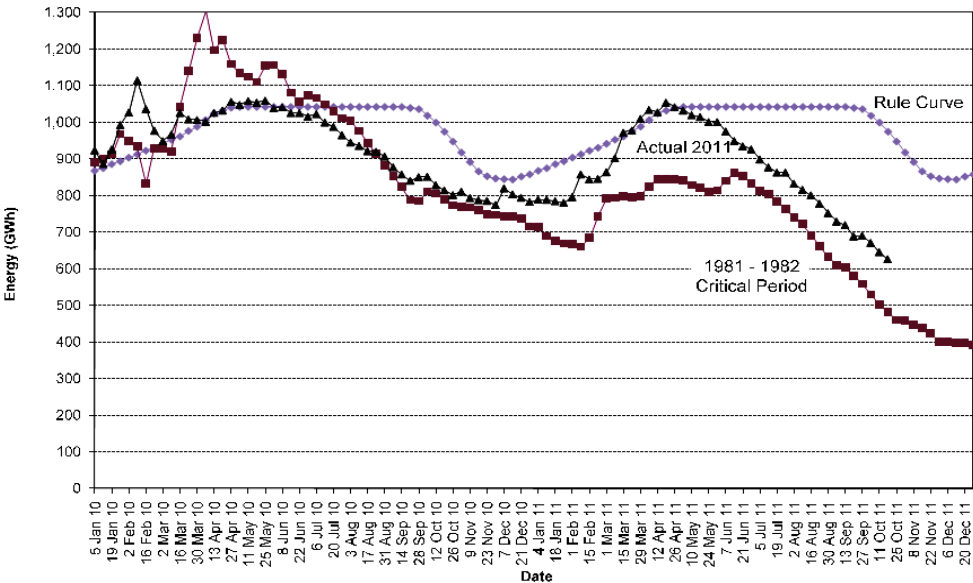
Cumberland Long-Term Memorandum of Agreement Signed

The Cumberland preference customers, U.S. Army Corps of Engineers Nashville District, and Southeastern participated in a ceremonial signing of a Long-Term Memorandum of Agreement (MOA) on August 9, 2011, in Tunica, MS. This MOA allows Southeastern to fund, through monies paid by the pref-

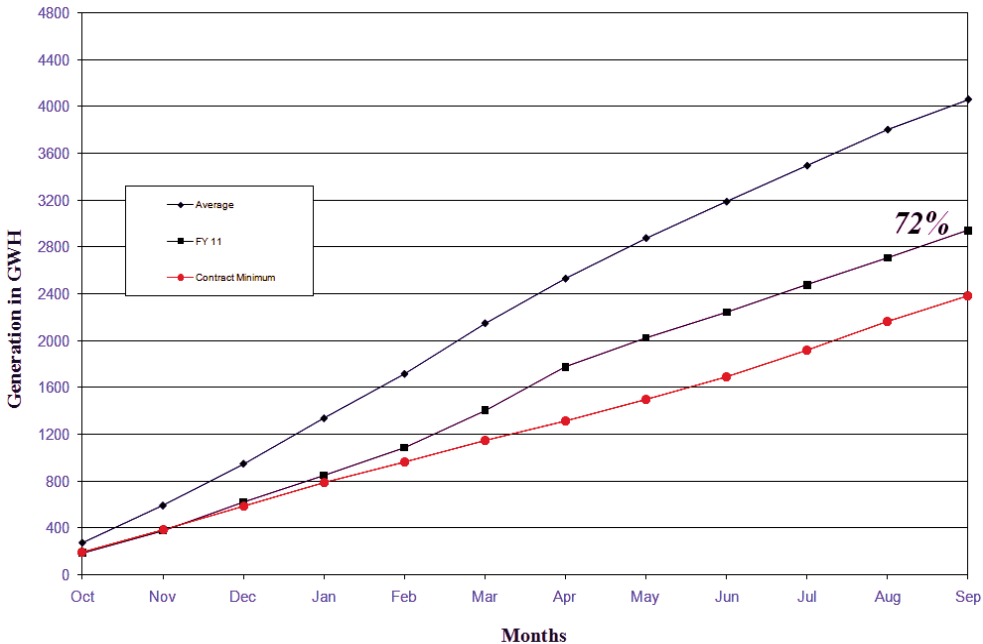
erence customers, non-routine rehabilitation and maintenance of the Corps' hydroelectric projects in the Nashville District. In the next twenty years, Southeastern looks to direct more than \$1.2 billion dollars into the Corps' projects in the Cumberland System.

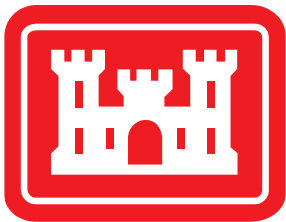


GEORGIA-ALABAMA-SOUTH CAROLINA SYSTEM Energy-In-Storage 2010 - 2011



GA-AI-SC System FY 11 Cumulative Net Generation





US Army Corps of Engineers.

Commander/Chief of Engineers:

Major General Bo Temple*
phone: (202) 761-0001

*acting until a replacement for
Lt. General Robert L. Van Antwerp
has been confirmed

South Atlantic Division Engineer:

Brig. General Todd T. Semonite
phone: (404) 562-5005

Savannah District Engineer:

Colonel Jeffrey M. Hall
phone: (912) 652-5226

Mobile District Engineer:

Colonel Steven Roemhildt
phone: (334) 690-2511

Wilmington District Engineer:

Colonel Steven A. Baker
phone: (910) 251-4501

Great Lakes/Ohio River Division Engineer:

Colonel Margaret W. Burcham
phone: (513) 684-3010

Nashville District Engineer:

Lt. Colonel James A. DeLapp
phone: (615) 736-5626

PLANT AVAILABILITY/CAPACITY UPDATE: JULY-OCTOBER 2011

GA-AL-SC System Update

Allatoona (35MW):

- Customer-funded work item
- Unit #1 out of service due to transformer #1 failure
- Installation contract to be advertised by end of 2011

Carters (129 MW):

- Customer-funded work item
- Unit #1 turbine repair to begin at end of October 2011 and to return to service by end of December 2011
- Cavitation repairs and biennial inspection to be performed

Russell #5, #6, #8 (83 MW):

- Customer-funded work item
- Corps in the process of preparing a plan for implementation of the initial recommendations to resolve vibration issues

West Point (40 MW):

- Quadrennial inspection and installation of new static excitation system on Unit #2 began at end of September 2011 and is expected to go through mid-November 2011

Cumberland System Update

Wolf Creek Dam Safety Issue:

- Contractor continues pattern grouting in Critical Area #1 to treat edges of the cave and core trench area
- Drilling operations began in the gallery and plaza adjacent to switchyard
- Weekly Progress Report available online:
www.lrn.usace.army.mil/WolfCreek

Center Hill Dam Safety Issue:

- Barrier wall contract awarded in September 2011 to Bauer Foundation Corporation for \$106.7 million
- Post-award protest was received and dismissed by GAO at the beginning of October 2011
- Bauer Foundation Corporation has not yet been issued a notice-to-proceed
- Information on Center Hill is available online: www.lrn.army.mil/CenterHill

Kerr-Philpott System Update

John H. Kerr:

- Customer-funded work item
- Replacement of high voltage cable system
- Installation began in September 2011 with Unit #5
- Expected to be completed by 2012

Jim Woodruff System Update

- All units are declared available